

GRE INVOICE QUERY

INCENTIVE SCHEME METHODOLOGY

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METHODOLOGY

Overview

This document sets out the methodology for the calculation of Incentive Payments to be made by Transco when a valid GRE Invoice Query (raised by a User) results in an overpayment of Reconciliation Clearing Charges that fail to be financially adjusted within the agreed service standard timescales.

- A. GRE Invoice Incentive Table** - This table details the criteria for payment of the Incentive Payments.
- B. GRE Incentive Scheme Rules** - This describes how the GRE Invoice Query Incentive Scheme Methodology will be applied.
- C. GRE Incentive Scheme Examples** - Appendices 1 & 2 provide examples to show how the GRE Invoice Query Incentive Scheme will operate for GRE Invoice Queries that fail the service standard.

A. GRE Invoice Query Incentive Table

GRE Financial Adjustment Processed	Amount of overpaid Reconciliation Clearing Charges	Incentive payable per query* per month
Before end of Service Standard Adjustment Month	All Values	No Incentive <i>(within standard)</i>
After end of Service Standard Adjustment Month + 1 month.	£0.01 - £199.99	£2.50 from Query Receipt Month + 4 months
On or after the end of the month following the Service Standard Adjustment Month.	£200 - £999.99	£2.50 from Query Receipt Month
On or after the end of the month following the Service Standard Adjustment Month.	£1,000 - £5,000	£10 from Query Receipt Month
On or after the end of the month following the Service Standard Adjustment Month.	Above £5,000	£7.50 per complete £1,000 from Query Receipt Month

** where there is more than one query on the same invoice for a unique Meter Point Reference Number, these will be aggregated and the Incentive Payment will be based on the overpayment of Reconciliation Clearing Charges.*

B. GRE Incentive Scheme Rules

1. All GRE Invoice Queries raised by Users are in scope for the incentive regime, save for NDM read GRE Invoice Queries created exclusively by NDM Meter Reads as supplied by Users to Transco. Any valid asset related GRE Invoice Query associated with a Meter Read raised by a User, will be included within the scheme.
2. The **Query Receipt Month** shall be the month in which the **GRE Invoice Query** is received by Transco from the User. A month for the purposes of the **GRE Invoice Query** is the period from the 6th day in one month until and including the 5th day of the following month.
3. The service standard for processing the financial adjustment will be no later than the end of the third month (**Service Standard Adjustment Month**) following the **Query Receipt Month**.
4. The **Relevant Month** will be the month in which the financial adjustment is paid by Transco to the User for the overpayment of Reconciliation Clearing Charges.
5. The payment for out of standard GRE Invoice Queries will be calculated by using the applicable rates contained in the **GRE Invoice Query Incentive Table**.
6. The total **Incentive Payments** due to Users for the month will be aggregated and then shared out by using the **Relevant Month's** UDQOs and UDQIs.
7. The **payment month** will be the second month following the **Relevant Month**.

C. Appendix 1 - GRE Incentive Scheme Example

The following example shows how the GRE Incentive Scheme will operate for a GRE invoice query that is out of standard.

Query Receipt Month 6th calendar day of previous month to 5th calendar day of the current month.

August Billing Period (8) Invoice Issued	25/9/00
GRE Invoice Query Received for Billing period 8 from Shipper A	30/9/00
Payment Due Date for Reconciliation Invoice	06/10/00

Second Month Following

September Period (9) Invoice Issued	25/10/00
Payment Due Date for Reconciliation Invoice	06/11/00
GRE Invoice Query still under investigation	

Service Standard Adjustment Month (Third Month Following) Target month for processing the financial adjustment

October Billing Period (10) Invoice Issued	25/11/00
Payment Due Date for Reconciliation Invoice	06/12/00
GRE Invoice not adjusted - failed on service standard	

Relevant Month (Fourth Month Following)

November Billing Period (11) Invoice Issued	25/12/00
Financial Adjustment of £500 credit processed on invoice	
Payment Due Date for Reconciliation Invoice	06/01/01

Incentive payment calculated as follows:

£2.50 (flat rate band for £500) x 4 (months outstanding 9,10,11 & 12) = £10

The Incentive Payment of £10 is aggregated for all Shippers and then shared using the relevant month's UDQIs and UDQOs. i.e. relevant month is the payment due date month for the Reconciliation invoice that the adjustment was processed (January 2001).

If the total aggregate Incentive Payments due to all Shippers in the month is £1,000 and Shipper A has a 10% share of the relevant month's UDQIs and UDQOs, a payment of £100 will be made to Shipper A. The payment month for the incentive will be the second month following the Relevant Month (March).

NB. The invoice issue dates and payment due dates that have been used in this example are approximate and not actual dates.

C. Appendix 2 - GRE Incentive Scheme Example

This example shows how the GRE Incentive Scheme will operate for a GRE invoice query that is out of standard with a different query receipt date (after 5th calendar day of the current month) and a greater adjustment value from that shown in Appendix 1.

Query Receipt Month

6th Calendar day of previous month to 5th calendar day of the current month

August Billing Period (8) Invoice Issued	25/9/00
Payment Due Date for Reconciliation Invoice	06/10/00

GRE Invoice Query Received for Billing period 8 from Shipper A 07/10/00*

*** Query received after the 5th calendar day of the current month, therefore Query Receipt Month will be the next month i.e. October**

September Period (9) Invoice Issued	25/10/00
Payment Due Date for Reconciliation Invoice	06/11/00

Service Standard Adjustment Month (Third Month Following) - Target month for processing the financial adjustment

November Billing Period (11) Invoice Issued	25/12/00
Payment Due Date for Reconciliation Invoice	06/01/01

GRE invoice query still under investigation - failed on service standard

Relevant Month (Fourth Month Following)

December Billing Period (12) Invoice Issued	25/1/01
Financial Adjustment of £5,635 credit processed on invoice	
Payment Due Date for Reconciliation Invoice	06/02/01

Incentive Payment calculated as follows:

£7.50 (rate per complete £1,000) x 5 (no. whole thousands) x 4 (months outstanding 10, 11, 12 & 1) = £150

The Incentive Payment of £150 is aggregated for all Shippers and then shared using the Relevant Month's UDQIs and UDQOs. ie. Relevant Month is the payment due date month for the Reconciliation Invoice on which the adjustment was processed (February 2001).

If the total aggregate Incentive Payments due to all Shippers in the month is £20,000 and Shipper A has a 10% share of the UDQIs and UDQOs for the Relevant Month, a payment of £2,000 will be made to Shipper A. The payment month for the incentive will be the second month following the Relevant Month (April).

NB. The invoice issue dates and payment due dates that have been used in this are approximate and not actual dates.